



**Office of the Mayor  
City of Los Angeles**

## **ANTONIO R. VILLARAIGOSA**

**FOR IMMEDIATE RELEASE  
March 24, 2009**

**Contact: Jonathan Powell  
(213) 978-0741**

### **MAYOR VILLARAIGOSA OPENS DOORS TO ECONOMIC PROGRESS THROUGH “BANK ON LA”**

*Mayor's new initiative will help families open bank accounts, build up credit history, access critical financial resources, save for the future and move up the economic ladder*

LOS ANGELES – Adding another tool for economic growth to the City's arsenal, Mayor Antonio Villaraigosa today launched *Bank on LA*, a new initiative to help low-income families enter the financial mainstream and put more money into their pockets.

“At this time of challenge throughout our City, leaders in the public and private sectors must ensure that our working families have the resources they need to weather today's economic storm and prepare for a brighter tomorrow,” Mayor Villaraigosa said. “*Bank on LA* will offer all Angelenos the tools to open bank accounts, save for the future, climb another rung on the economic ladder, and punch their ticket to economic growth for years to come.”

The goal of *Bank of LA* is to help 10,000 Angelenos each year open a new bank account at a mainstream financial institution – bank or credit union – and avoid paying the extraordinary costs at check cashers, payday lenders and pawnshops just to turn their hard-earned paychecks into cash.

Bringing together banks, financial institutions, non-profits, community-based organizations and City agencies, Mayor Villaraigosa developed *Bank on LA* to help more low- and middle-income families establish savings, build up a credit history, and access the tools for long-term financial success and stability.

Without access to a simple financial tool such as a bank account, it is impossible for families to put away money for their children's education; save for a down payment on a house or car; and make investments that will ensure a stable, secure retirement down the road.

- MORE -

The Mayor was joined at today's event by Elise Buik, President and CEO, United Way of Greater Los Angeles; Forescee Hogan-Rowles, President and CEO, Community Financial Resource Center; Matt Fellowes, Director, Pew Safe Banking Opportunities Project, Pew Charitable Trust; Professor Manuel Pastor of USC; and representatives from participating banks, non-profit groups and community-based organizations throughout Los Angeles.

Immediately following the official roll-out of the initiative, the New America Foundation and the Mayor's Office convened a meeting of community stakeholders, bank representatives, and non-profit leaders to discuss the details of *Bank on LA* and outline the responsibilities of all parties involved.

### **Bank on LA Program Description**

Combining the tools of banks, financial institutions, non-profits, community-based organizations, and City government, *Bank on LA* will help working families connect with basic services others may take for granted and enter the financial mainstream. This program will not cost taxpayers a single penny and it will lay the foundation for prosperity for every household for years to come.

Led by Mayor Villaraigosa, this innovative, collaborative effort will:

- Develop and market starter accounts with features geared toward the unbanked.
- Inform Angelenos without bank accounts about the benefits of account ownership and encourage them to open accounts.
- Help local households build their money management skills.
- Bring together diverse coalitions of financial institutions, regulators, non-profits, and community-based organizations to market the accounts to working Angelenos.
- Focus the City's efforts on neighborhoods hit hardest by the weakening economy, such as South LA, the Northeast Valley, and East LA.

To achieve these objectives and meet the goal of helping 10,000 Angelenos open bank accounts this year, this effort will pilot for nine months in four communities with the highest concentrations of unbanked residents – Boyle Heights, Vernon-Central, Westlake, and Pacoima – before going citywide.

In order to get *Bank on LA* up and running, the Mayor's Office:

- Raised close to \$560,000 from the Annie E. Casey Foundation to support the research, development and implementation of the initiative
- Brought in approximately \$400,000 from Wachovia, Wells Fargo, Bank of America and other financial institutions over the course of 2008 to provide the initial funding for the implementation and marketing of the program
- Trained banks and community organizations to ensure that all residents receive adequate financial literacy assistance from all participating institutions

### **Background**

Los Angeles hosts one of the largest unbanked populations in the nation - with nearly 300,000 households lacking basic financial tools, like a checking or savings account. As a result, families cannot build up assets for the future; save money for their homes, cars, businesses, and children's education; or develop a strong credit history that enables residents to be full participants in the nation's financial system.

In addition, without a bank account, Angelenos are forced to use alternative financial services that can cost up to \$1,000 per year - translating into more than \$54 million in check cashing fees and \$88 million in payday loan fees departing homes and communities that need those dollars most.

For more information about the program and how to use *Bank on LA*, please visit [www.bankonla.com](http://www.bankonla.com).

# # #